

Resources for Growing Businesses

John E. Cole III

**Division of Small Business Services
Cabinet for Economic Development**

March 23, 2011



Cabinet for Economic Development

- Primary state agency responsible for new job creation and investment in the state
- Governed by the Kentucky Economic Development Partnership Board
- Awards most of its financial incentives through the Kentucky Economic Development Finance Authority (KEDFA)
- Consists of 4 Areas
 - Office of the Secretary
 - Department of Financial Incentives
 - Department of Commercialization and Innovation
 - ***Department for Business Development***



Department of Business Development

- Coordinates the recruitment and attraction of new companies that will enhance the overall viability of the state's economy
- Encourages job retention and creation by working with existing Kentucky business
- Offers specialists in business development, project management, site evaluation, government contracting, and international trade



Small Business Services Division

Composed of 3 Primary Areas

- Kentucky Procurement Assistance Program (KPAP)
 - www.thinkkentucky.com/kpap
- Small and Minority Business Branch
 - www.thinkkentucky.com/SMBB
- Business Information Clearinghouse
 - www.thinkkentucky.com/BIC



KPAP Overview

- KPAP is the Procurement Technical Assistance Center (PTAC) in Kentucky
 - PTACs are funded through cooperative agreements with the U.S. Department of Defense
 - If you are not a Kentucky business, you can locate your PTAC at this website:
 - <http://www.dla.mil/db/procurem.htm>



KPAP Purpose and Desired Outcomes

- Purpose of program is to help Kentucky firms market their goods and services to federal, state, and local government agencies
- Desired outcomes:
 - Job creation and retention through increased government contracts
 - Increased government dollars flowing through Kentucky's economy
 - Establish and retain dependable sources of products and services



KPAP Services

- Government Marketing Assistance
- One-on-One Consulting
- Group Training

Contact Person:

Marisa Neal

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1-800-838-3266

www.thinkkentucky.com/kpap



Marketing Assistance

- Bid Match Program
 - Automatically matches a company's products and services against a database of federal, state, and local government bid opportunities
 - Collect bid information from several thousand government buying offices nationwide
 - Summary notices of government contracting opportunities are e-mailed to participating firms
 - No cost to KPAP clients



Bid Match Notice - Federal

U.S. Army Corps of Engineers, USACE District, Huntington

67--Nikon (or equal) Camera and accessories for 533rd Engineer Detachment, Ft. Knox, KY. W91237-11-T-0031 030911 Karen Simmons, 304-399-5182 [USACE District, Huntington](#) This is a combined synopsis/solicitation for commercial items prepared in accordance with the format in Subpart 12.6. This is a notice for Small Business acquisition. Set-Aside: Total Small Business Place of Performance: 533rd Engineer Detachment 525 Hell On Wheels Ave, Bldg 2374, Suite 311 Fort Knox KY 40121-7656 US URL:

<https://www.fbo.gov/spg/USA/COE/DACA69/W91237-11-T-0031/listing.html>



Bid Match Notice - State

Finance and Administration Cabinet,
Office of Procurement Services

42 - PERSONAL FLOTATION DEVICES AND
ACCESSORIES. RFB-758-1100000640-1 DUE
17-MAR-2011 Richard Mize, 502-564-6521,
Phone: (502) 564-4510; Website:
<https://emars.ky.gov/online/vss/Advantage>

Bid Match Notice - Local

Louisville/Jefferson County, Purchasing
Department

R - COURIER SERVICES PRICE CONTRACT. IFB-
2337-0-2011/TB DUE 11-MAR-2011 Phone:
(502) 574-5796; Fax: (502) 574-6977; E-mail:
purchase@loukymetro.org; Website:
<http://www.louisvilleky.gov/Finance/purchasing.htm>



Consulting Services

- One-on-one assistance on topics related to government contracting is provided by experienced consultants
- Examples of assistance:
 - Understanding contracting rules and regulations
 - Responding to government bid packages
 - Review quotes, bids and proposals
 - Market research
 - GSA schedule preparation
 - Certification programs

Training & Networking

- Training to help firms understand how to do business with government agencies

www.thinkkentucky.com/KPAP/KPAPTrainingCalendar.aspx

- Networking opportunities

- SMALL BUSINESS CONNECTION

<https://secure.kentucky.gov/sbc/default.aspx>

New Reciprocal Preference

- **A resident bidder of the Commonwealth shall be given a preference against a nonresident bidder registered in any state that gives or requires a preference to bidders from that state.**
- The preference shall be equal to the preference given or required by the state of the nonresident bidder.
- KRS 45A 494 and 200 KAR 5:400

200 KAR 5:400

Residency for Nonresident Bidders:

- (1) The state of residency for a nonresident bidder, **for purposes of this administrative regulation**, shall be its principal office as identified in the bidder's certificate of authority to transact business in Kentucky as filed with the Commonwealth of Kentucky, Secretary of State.
- (2) If the bidder is not required to obtain a certificate of authority to transact business in Kentucky, its state of residency shall be the mailing address provided in its bid.

KRS 45A 494(2)

Resident bidder is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

- (a) Is authorized to transact business in the Commonwealth; and
- (b) Has for one (1) year prior to and through the date of the advertisement, filed Kentucky corporate income taxes, made payments to the Kentucky unemployment insurance fund established in KRS 341.490, and maintained a Kentucky workers' compensation policy in effect.

KRS 45A 494

- (4) If a procurement determination results in a tie between a resident bidder and a nonresident bidder, preference shall be given to the resident bidder.
- (5) This section shall apply to all contracts funded or controlled in whole or in part by a public agency.

"Contract" means any agreement of a public agency, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. (KRS 45A 490(1))

Kentucky MBE & WBE

- Kentucky's Minority and Women Business Enterprise Certification Program
- <http://mwbe.ky.gov>
- Benefits:
 - Certification allows your business to meet “home state certification” requirements for other states.
 - Provides a marketing opportunity for your business.

Kentucky MBE & WBE Criteria

- Majority owned by a woman or women or a racial or ethnic minority group.
 - at least 51% owned by a woman or racial/ethnic minority (African American, Hispanic American, Asian Pacific American, Subcontinent Asian American or Native American).
- Minority and/or women owners must be citizens or permanent residents of the United States.
- Must be independently owned and operated.
- Must not exceed the applicable NAICS size standards.
- Must have been open and operating for at least one full year (365 days).
- Must have filed a tax return consisting of a full year (365 days) either calendar or fiscal.
- Out-of-State ONLY: Must possess current certification as a DBE, MBE or WBE from its home state.

Small and Minority Business Branch

- Provides initial start-up and growth information to small businesses.

Contact Person:

Mark L. Johnson

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1-800-626-2250

www.thinkkentucky.com/smbb



Small and Minority Business Branch Services

Business Development

- Consulting
- Sample Business Plans
- Resources & Referrals
- Financial Projections
- Online Business
- Franchises
- Incubators/Accelerators
- Marketing Information
- Certification
- Surety Bond Information

Funding

- Kentucky Small Business Loan Program
- Kentucky Microenterprise Loan Program
- Other Loan Programs/Funding Options
 - Federal
 - State
 - Local & Regional
- Loan Package Checklist
- Review Your Funding Request
- Cash Flow Projections



Small and Minority Business Branch Services

Classroom Training

- Business Startup 101
- Developing Business Plans
- Understanding Financial Statements
- Funding Sources
- E-Commerce/ Web Site Development
- Using eBay to Start/Expand A Small Business
- Social Media For Small Business
- Marketing Fundamentals
- Survival in Difficult Times

Program Development

- Women and Entrepreneurship Series
- Youth Entrepreneurship
- Kentucky Small Business Investment Credit Program (KSBIC)
- PEAK: Partners for Entrepreneurial Advancement in Kentucky

Kentucky Small Business Investment Credit

- Designed to encourage small business growth and job creation by providing a nonrefundable state income tax credit to eligible small businesses hiring one or more eligible individuals and investing at least \$5,000 in qualifying equipment or technology
 - Most for-profit businesses (including retail) with fifty or fewer full-time employees are considered eligible small businesses for this program
 - Applications for the KSBIC program will be accepted beginning in January 2011.
 - Application: www.thinkkentucky.com/kyedc/pdfs/KSBICApplication.pdf
 - Guidelines: www.thinkkentucky.com/kyedc/pdfs/KSBICGuidelines.pdf
 - Fact Sheet: www.thinkkentucky.com/KSBIC



Partners for Entrepreneurial Advancement in Kentucky

- Statewide, non-profit 501©(3) microenterprise association
- Mission: To promote growth, opportunities, and access to resources for organizations that support and encourage microenterprise development
- Provides educational as well as networking, referral, best practice sharing, and resource exchange opportunities among those organizations that support and encourage microenterprise development
- Annual Microenterprise Conference
- Microenterprise of the Year
- Specialty Small Business License Plate



www.peakky.org



Specialty State Small Business License Plate Initiative

- A contest for the development of a unique license plate design/slogan that creatively conveys the importance of small business and entrepreneurship in Kentucky
- The design, by Gerald Printing in Bowling Green, was unveiled on January 20, 2011 by Governor Beshear
- 900 signatures needed (and deposits of \$25 each) to produce plate
- Proceeds from plate sales will be used to develop entrepreneurial and small business development programs



Additional Information:

<http://peakky.org>

<http://www.facebook.com/PEAKKY>



Business Information Clearinghouse

- Provide information on the federal, state, and local permits, licenses and registrations needed to operate a business
- Employer Responsibilities (mandatory posters, unemployment insurance, workers comp, payroll taxes, new employee reporting, etc)
- Forming and maintaining a business entity and obtaining appropriate state, federal, and local tax numbers
- Publishes the Kentucky Business Guide:
www.thinkkentucky.com/kyedc/pdfs/bicguide.pdf



The Kentucky Business Guide

A Handbook for Starting and Licensing
a Business in Kentucky

January 2010



Online Resources

Permits & Licenses | The Kentucky Cabinet for Econ | The Kentucky Cabinet for Economic Developme - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Reload Home Search Favorites

Address <http://www.thinkkentucky.com/bic/ebpermits.aspx> Go

ThinkKentucky.com

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About Us Small Business Support Site Selection & Expansion Technology & Innovation News Room Data Center

Permits & Licenses

Starting a business (or buying an existing business) requires an understanding of local, state and federal requirements to legally operate the business. The required permits, licenses and registrations can vary depending on the type of business, how the business is structured, where the business is located, etc.

In general, here are the steps most businesses need to consider when starting and operating a business in Kentucky (click on each link for more detailed information):

1. [Determine if you need a special license or permit to operate your business](#)
2. [Choose a legal business structure and name](#)
3. [Obtain an Employer Identification Number \(EIN\) from the IRS and understand your federal tax obligations](#)
4. [Register with the Kentucky Department of Revenue and understand your state tax obligations](#)
5. [Obtain a local business license/register for local taxes](#)
6. [If you hire employees, determine your employer responsibilities](#)
7. [Environmental permitting and regulations](#)

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[Kentucky Business Guide \(pdf\)](#)
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Small Business Ombudsman

Small Business Advocacy

- Commission on Small Business Advocacy
 - www.thinkkentucky.com/advocacy/sba_advocacy.aspx
 - Provides linkages between the small business community and public policy in the Commonwealth. The Commission reviews proposed new regulations for impacts on small business and serves as a resource on policy issues affecting the interests of small business.

Contact Information

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Cabinet for Economic Development

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Select Small Business Support

